

Message Text

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ACTION NEA-12

INFO OCT-01 ADP-00 AID-20 EB-11 NSC-10 RSC-01 CIEP-02

TRSE-00 SS-15 STR-08 OMB-01 CEA-02 PRS-01 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 AGR-20

RSR-01 /136 W

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R 081137 Z JUN 73

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASYMC 9582

INFO AMCONSUL KARACHI

AMCONSUL LAHORE

LIMITED OFFICIAL USE ISLAMABAD 4700

E. O. 11652: N/ A

TAGS: EIND, PK

SUBJ: DISCUSSION OF COMMERCIAL PROBLEMS WITH
PRESIDENT' S ECONOMIC ASSISTANT

REF: ISLAMABAD 4542

1. SUMMARY: CHARGE BROUGHT TO THE ATTENTION OF
FEROZE QAISER, SPECIAL ASSISTANT TO THE PRESIDENT
FOR ECONOMIC AFFAIRS , THE CASES OF ALICO AND ESSO
FERTILIZER COMPANY, AND URGED THAT BOTH OF THESE
PROTRACTED NEGOTIATIONS BE BROUGHT TO AN EARLY
CONCLUSION. END SUMMARY.

2. CHARGE MET FOR ONE HOUR JUNE 8 WITH FEROZE QAISER,
THE PRESIDENT' S SPECIAL ASSISTANT FOR ECON AFFAIRS,
AT LATTER' S REQUEST;
ECON/ COMM COUNSELOR SAT IN. PRESENT ALSO ON GOP SIDE
WERE KURESHI, JOINT SECRETARY, INDUSTRIES; KHALIL,
JOINT SECRETARY, EAD; AYUB, DEPSEC, FOOD DIVISION;
AND ZAKI, DIRGEN, MFA.
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3. CONVERSATION DEALT WITH BROAD ASPECTS OF PAK ECONOMY, PARTICULARLY ON INDUSTRIAL SIDE. AT THE OUTSET, QAISER INVITED CHARGE TO RAISE ANY POINTS HE WISHED CONCERNING PROBLEMS SUCH AS THOSE OF AMERICAN BUSINESS CONCERNS IN PAKISTAN. CHARGE ACCORDINGLY RAISED THE PROBLEMS SURROUNDING NEGOTIATIONS BY BOTH ALICO AND ESSO FERTILIZER COMPANY, PARELLELING REPRESENTATIONS HE HAD MADE JUNE 3 TO PRESIDENT BHUTTO (REFTEL). OTHER MATTERS DUSCUSSED BEING REPORTED SEPARATELY.

4. WITH REGARD TO ALICO, CHARGE SAID GOP OFFICIALS AND ALICO REPS HAD RECENTLY MET IN ISLAMABAD AND NOTED THAT ALICO REPS HAD REPORTED THE DISCUSSIONS AS ENCOURAGING. THEY HAD DEPARTED EXPRESSING HOPE THAT A SATISFACTORY OVERALL SETTLEMENT WOULD SOON BE PROPOSED BY THE GOP ON ALICO'S CLAIM FOR COMPENSATION ON ITS NATIONALIZED ASSETS. CHARGE URGED THAT GOP EXPEDITE ACTION ON THIS MATTER IN LIGHT OF FACT THAT NEGOTIATIONS HAVE DRAGGED ON FOR WELL OVER A YEAR. HE SAID HE HOPED THAT THIS MATTER AS WELL AS CASE OF ESSO FERTILIZER COMPANY COULD BE GOTTEN OUT OF THE WAY VERY SHORTLY. HE STRESSED, ALSO, THAT THE BALL WAS IN THE GOP COURT.

5. ON ESSO FERTILIZER'S CLAIM TO COMPENSATION FOR LOSS OF INCOME RESULTING FROM THE MAY 1972 RUPEE DEVALUATION, CHARGE SAID HERE AGAIN WAS A CASE WHERE THERE HAD BEEN PROTRACTED NEGOTIATIONS WITHOUT A CONCLUSION BEING REACHED. QAISER INQUIRED IF ESSO FERTILIZER WERE INTERESTED IN EXPANDING PRODUCTION. CHARGE REPLIED THAT THIS WAS MATTER WHICH THE GOP SHOULD PUT TO ESSO FERTILIZER, BUT THAT THIS QUESTION SHOULD IN NO WAY DELAY SETTLEMENT ON THE CLAIM TO COMPENSATION. EVEN AFTER SUCH A SETTLEMENT THIS WOULD BE SOMETHING WHICH WOULD HAVE TO BE DISCUSSED BETWEEN THE GOP AND ESSO FERTILIZER. QAISER REMARKED THAT SOME PRICING ADJUSTMENTS HAVE BEEN MADE AND STUDIES WERE CURRENTLY UNDER WAY. HE AGREED, HOWEVER, WITH THE CHARGE'S STRONG STATEMENTS THAT AN EFFORT MUST BE MADE TO BRING LIMITED OFFICIAL USE

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THE NEGOTIATIONS TO A SUCCESSFUL COMPLETION, AND SOON .
DECONTROL JUNE 30, 1974.
SOBER

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*** Current Classification *** LIMITED OFFICIAL USE

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